
**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY	:	
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Approval of Energy Efficiency and Demand	:	Docket No. 07-0540
Response Plan Pursuant to Section 12-103(f)	:	
Of the Public Utilities Act	:	

PRE-TRIAL MEMORANDUM OF

THE BUILDING OWNERS AND MANAGERS ASSOCIATION OF CHICAGO

JANUARY 2, 2008

As a major stakeholder that will spend over \$10 million over the next three years funding this program, the Building Owners and Managers Association of Chicago sponsored three witnesses in this proceeding to assist the Illinois Commerce Commission with its determinations on the importance of issues from the perspective of ratepayer stakeholders with significant expertise in energy efficiency matters. A summary of each witness's testimony is provided below:

The key issues discussed in Mr. Zarumba's testimony are as follows:

1. Commonwealth Edison's ("ComEd" or "the Company") approach to calculating the surcharge allowed in Section 16-103(b) to finance the energy efficiency programs in this proceeding is deficient. The Company's approach applies the applicable yearly percentage of Customers' bills (i.e. 0.5%, 1.0% and 1.5%) to the average price for all retail customers as a whole producing a single factor for all retail customers. This approach results in cross-subsidies and inequities. Mr. Zarumba proposed an alternate allocation which calculates a surcharge specific to each distribution rate class by applying the percentage specified in the legislation to the estimated average revenue per kilowatt-hour. Mr. Zarumba's approach better matches the price paid for each customer to the surcharge assessed. Mr. Zarumba's approach does not change the level of revenues collected, nor expose ComEd to any additional economic risk.

2. Mr. Zarumba proposes that detailed information about customer's electric usage should be treated as an energy efficiency program. As such, ComEd should provide Customers with access and information to their own usage data without additional cost.

3. In the past few rate case proceedings the Illinois Commerce Commission has abandoned the policy of using marginal costs to determine prices and allocate the revenue requirement. Although the purpose of this proceeding is not to debate pricing allocation principles, Mr. Zarumba reminds the Commission that average cost pricing sends distorted price signals to customers that conflict with the goals of a utility administered energy efficiency program. As such, the Commission should revisit its policies on allocated cost pricing.

4. Lastly, Mr. Zarumba states that this proceeding is being held on an expedited basis and an exhaustive review of the filing is not possible. Given the accelerated schedule in this proceeding, flexibility should be afforded to all parties to achieve the goals contained in the new law.

The key issues discussed in Mr. Skodowski's testimony are as follows:

1. BOMA/Chicago has been a demonstrated leader in the energy efficiency marketplace. As an example, BOMA/International has entered into an education partnership with EPA's ENERGY STAR® to provide building owners and managers with current and developing information regarding energy efficiency.

2. The Commission should require a formal partnership between ComEd and BOMA/Chicago for the design of energy efficiency programs applicable to commercial buildings in Chicago. The goal is robust ComEd support and advancement of BOMA/Chicago energy efficiency initiatives, and robust ComEd administration of the resulting programs. BOMA/Chicago seeks participation in already existing institutional programs that advance building owners' energy efficiency goals, which enhance the goals contained in the legislation. The best outcome requires that the Commission and ComEd regard BOMA/Chicago as a partner in ongoing program design decisions, not merely as someone from whom to solicit "input".

3. Participation by BOMA/Chicago members in regional demand response programs can provide significant economic benefits both directly to member participants and indirectly to all Chicago electric consumers. Member buildings have traditionally been active in past ComEd curtailment programs, and many are beginning to utilize the PJM Load Response Program to implement price response. The first customers in ComEd's service territory to participate in PJM's demand response programs were BOMA/Chicago buildings.

4. The Commission should require ComEd to allow all buildings, not just ComEd program participants, the ability to access building data at no charge. By mandating customer access to their own data supports several agendas, including energy

efficiency improvement (both capital and operating), competitive supply pricing and evaluation, and demand response program participation.

The key issues discussed in Mr. Cushing's testimony are as follows:

1. The Commission should foster, not dictate, nor allow one party to dictate, demand response program participation in Illinois.

2. Requiring adequate meter/data infrastructure is the most important action that the Commission can take to foster a demand response program in Northern Illinois. Moreover, interval data access should be liberally and freely provided to Customers, for a variety of reasons listed in testimony.

Dated: January 2, 2008

Respectfully submitted,

THE BUILDING OWNERS AND
MANAGERS ASSOCIATION OF
CHICAGO

A handwritten signature in black ink, appearing to read "Michael Munson".

By: _____
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January 2, 2008